

ESCO PROGRAM DESCRIPTION

Rhode Island Office of Energy Resources (RIOER)
List of Energy Service Companies (ESCOs)
April 25, 2007

The RIOER is establishing a list of ESCOs for use by building owners and operators. Firms that are included on the RIOER list have met our criteria to offer a legitimate service proposal and provide effective energy management services; The RIOER conducted a comprehensive evaluation of these firms including reviews of the following: experience, staffing, references, and financial stability. Although it is our opinion that these firms are qualified to provide these services, it is important that any building owner conduct its own detailed evaluation of a firm before entering into a final contract. It is important to note that circumstances may have changed for any given ESCO since being placed on the RIOER list or a more detailed evaluation may reveal an undisclosed concern. It is also important to note that firms may have varying skills or specialties. For example, some firms may be interested in only large projects or may have a particular technology or approach it favors that should be taken into consideration by building owners. These approaches may relate to a particular type of Energy Conservation Measure (ECM), a method of financing or an approach to savings measurement and verification. All of these things must be specifically evaluated for your project before entering into a final contract.

We also strongly urge that each building owner obtain the services of a 3rd party engineering consultant to assist them in administering the bidding and selection process and ultimately the construction, commissioning and contract administration process. It is recommended that projects be structured such that the costs of the services of this consultant will be covered by the savings from the project. This person will be like an insurance policy, protecting your interests throughout the term of the contract and assuring that promised energy and cost savings are delivered. The RIOER can assist you in getting started and in the hiring of this consultant.

The RIOER endorses the concept of ESCO contracting. It is an effective way to achieve comprehensive energy savings, replace old equipment, and modernize facilities and hedge against the inevitable rise in energy costs. The State of Rhode Island recently entered into a contract for three of its most prominent state buildings and has plans underway to address all of its most substantial buildings through ESCO contracts. We urge you to follow this same path and will be glad to help.

The State has also developed a standard contract that is available for your use. This contract has many safeguards and provisions that will help to make your project a success. This contract will be available on RIOER's website and may be downloaded for your use.